Supplemental Letter

REPUBLIC OF INDONESIA

April 15, 2013

International Bank for Reconstruction and Development
1818 H Street NW
Washington, DC 20433
United States of America

Re: Grant No. TF098817-ID
Disaster Risk Management Program for the Third National Program for Community Empowerment in Urban Areas Project
Performance Indicators

Dear Sir/Madame:

We refer to paragraph 1 of Section II.A of Schedule 2 to the Grant Agreement (Disaster Risk Management Program for the Third National Program for Community Empowerment in Urban Areas Project) of even date herewith between the Republic of Indonesia and the International Bank for Reconstruction and Development concerning Performance Indicators.

We hereby agree that the Performance Indicators to monitor and evaluate the carrying out of the Project and the achievement of the objectives thereof are those set forth in the Annex to this letter.

Please confirm the agreement on behalf of the Bank to the application of these Performance Indicators by signing the form of confirmation below.

Very truly yours,

REPUBLIC OF INDONESIA

Robert Pakpahan
Authorized Representative

CONFIRMED:
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Yogana Prasta
Acting Country Director, Indonesia
Authorized Representative
ANNEX
Disaster Risk Management Program for the Third National Program for Community Empowerment in Urban Areas
Results Framework and Monitoring

**Project Development Objective (PDO):** The overall objective is to assist GOI to ensure that the urban poor benefit from improved socio-economic and local governance conditions. This objective will be achieved through: (a) the formation and institutionalization of elected representative organizations that are accountable to communities; (b) provision of grants to communities directly and transparently to finance poverty alleviation activities, especially infrastructure services; (c) enhancing the capacity of central and local governments to partner with community organizations in service provision; and (d) increasing awareness of disaster risk mitigation and mainstreaming of measures for resilience.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Care</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved capacity of community on Community Based Disaster Risk Management (CB-DRM) through completion of Community Development Plan in selected kelurahans.</td>
<td>☐</td>
<td>% of kelurahan</td>
<td>-</td>
<td>40% selected kelurahan</td>
<td>60% selected kelurahan</td>
<td>80% selected kelurahan</td>
<td>Annually</td>
</tr>
</tbody>
</table>

### INTERMEDIATE RESULTS

**Intermediate Result (Component One): Community and Local Government Capacity Building, Sub Component ID: Disaster Risk Reduction**

- Percentage of participation rate of poorest and vulnerable community members in planning and decision making meetings related to CB-DRM in selected kelurahans

<table>
<thead>
<tr>
<th>Care</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>% of poor community member</td>
<td>43.9% (PNPM Urban III)</td>
<td>≥40%</td>
</tr>
</tbody>
</table>

- Percentage of participation rate of women in planning

<table>
<thead>
<tr>
<th>Care</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
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</thead>
<tbody>
<tr>
<td>☐</td>
<td>% of women</td>
<td>41.8% (PNPM)</td>
<td>≥40%</td>
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</tbody>
</table>

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1 The baseline based on MIS data of PNPM Urban, May 31, 2012. The average for the last 5 years has been significantly lower. However, the target values are based on capacity to maintain the already high achievement within the program. The aim of the program is to improve the qualitative aspect of these performance indicators.
<table>
<thead>
<tr>
<th>and decision making meetings related to CB-DRM in selected kelurahans</th>
<th>community member</th>
<th>Urban III ²</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result (Component Two): Kelurahan Grants</strong></td>
<td></td>
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<tr>
<td>• Number of each type of infrastructure, economic, and social activities completed in selected kelurahan (wards)</td>
<td>☐ % of kelurahan</td>
<td>-</td>
<td>≥80%</td>
<td>≥80%</td>
<td>≥80%</td>
<td>Annually, MIS</td>
</tr>
<tr>
<td>• Percentage of infrastructure works evaluated as of good quality completed in selected kelurahan (wards)</td>
<td>☐ % of infrastructure works</td>
<td>-</td>
<td>≥70%</td>
<td>≥70%</td>
<td>≥70%</td>
<td>Annually, MIS</td>
</tr>
<tr>
<td>• Percentage of participation rate of women as member of community groups (KSMs)</td>
<td>% of women member</td>
<td>40.5% (PNPM Urban III ³)</td>
<td>≥80%</td>
<td>≥80%</td>
<td>≥80%</td>
<td>Monthly, MIS</td>
</tr>
<tr>
<td><strong>Intermediate Result (Component Three): Implementation and Technical Assistance</strong></td>
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<tr>
<td>• Percentage of provincial consultants providing timely &amp; accurate data through MIS for selected locations</td>
<td>☐ % of provincial consultants</td>
<td></td>
<td>≥80%</td>
<td>≥80%</td>
<td>≥80%</td>
<td>Annually, MIS</td>
</tr>
</tbody>
</table>

² idem
³ idem